**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

FAO-2189-2013 (O&M)

DIMPLE KUMARI AND OTHERS .....Appellants

vs.

RAJNEESH KUMAR VIG AND OTHERS .....Respondents

Reserved on:- 06.03.2026
Pronounced on:- 23.03.2026
Uploaded On:- 02.04.2026

Whether only the operative part of the judgment is pronounced? NO
Whether full judgment is pronounced? YES

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Joginder Siwach, Advocate for
Mr. Rajeev Dev Sharma, Advocate
for the appellants.

None for respondent Nos.1 and 2 (despite service).

Mr. Vipul Sharma, Advocate for
Mr. Paul S. Saini, Advocate
for respondent No.3 – Insurance Company.

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SUDEEPTI SHARMA J.

1. The present appeal has been preferred against the award dated 05.01.2013 passed by the learned Motor Accident Claims Tribunal, Pathankot in the claim petition filed under Section 166 of the Motor Vehicles Act, 1988 (for short, 'the Tribunal') for enhancement of compensation granted to the claimant to the tune of Rs.36,09,500/- along with interest @9% per annum on account of death of Rakesh Mahajan in a Motor Vehicular Accident, occurred on 11.08.2011.

2. As sole issue for determination in the present appeal is confined to quantum of compensation awarded by the learned Tribunal, a detailed narration of the facts of the case is not required to be reproduced here for the sake of brevity.

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SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES

3. The learned counsel for the claimants-appellants contends that the amount assessed by the learned Tribunal is on the lower side and deserves to be enhanced. Therefore, he prays that the present appeal be allowed and amount of compensation be enhanced as per latest law.

4. *Per contra*, learned counsel for respondent No.3-Insurance Company, however, vehemently argues that the compensation awarded by the learned Tribunal is on the higher side and deserves to be reduced. He further contends that the learned Tribunal has wrongly included incentives for the calculation of salary of the deceased. The same is required to be excluded in calculation of the said income as the same is variable in nature. He further points out that respondent No.3 - Insurance Company has filed a separate appeal ie. FAO No.3461 of 2013 titled as "National Insurance Company Limited Vs. Dimple Kumari and others", challenging the quantum of compensation. Therefore, he prays for dismissal of the present appeal and compensation be reduced as per latest law.

5. I have heard learned counsel for the parties and perused the whole record of this case with their able assistance.

SETTLED LAW ON COMPENSATION

6. Hon'ble Supreme Court in the case of ***Sarla Verma Vs. Delhi Transport Corporation and Another*** **[(2009) 6 Supreme Court Cases 121]**, laid down the law on assessment of compensation and the relevant paras of the same are as under:-

> "***30***. *Though in some cases the deduction to be made towards personal and living expenses is calculated on the basis of units indicated in Trilok Chandra, the general practice is to apply standardised deductions. Having a considered several subsequent*

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decisions of this Court, we are of the view that where the deceased was married, the deduction towards personal and living expenses of the deceased, should be one-third (1/3rd) where the number of dependent family members is 2 to 3, one-fourth (1/4th) where the number of dependent family members is 4 to 6, and one-fifth (1/5th) where the number of dependent family members exceeds six.

***31**. Where the deceased was a bachelor and the claimant are the parents, the deduction follows a different principle. In regard to bachelors, normally, 50% is deducted as personal and living expenses, because it is assumed that a bachelor would tend to spend more on himself. Even otherwise, there is also the possibility of his getting married in a short time, in which event the contribution to the parent(s) and siblings is likely to be cut drastically. Further, subject to evidence to the contrary, the father is likely to have his own income and will not be considered as a dependant and the mother alone will be considered as a dependant. In the absence of evidence to the contrary, brothers and sisters will not be considered as dependants, because they will either be independent and earning, or married, or be dependent on the father.*

***32**. Thus even if the deceased is survived by parents and siblings, only d the mother would be considered to be a dependant, and 50% would be treated as the personal and living expenses of the bachelor and 50% as the contribution to the family. However, where the family of the bachelor is large and dependent on the income of the deceased, as in a case where he has a widowed mother and large number of younger non-earning sisters or brothers, his personal and living*

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expenses may be restricted to one-third and contribution to the family will be taken as two-third.

* * * * * *

42. *We therefore hold that the multiplier to be used should be as mentioned in Column (4) of the table above (prepared by applying Susamma Thomas[3], Trilok Chandra and Charlie), which starts with an operative multiplier of 18 (for the age groups of 15 to 20 and 21 to 25 years), reduced by one unit for every five years, that is M-17 for 26 to 30 years, M-16 for 31 to 35 years, M-15 for 36 to 40 years, M-14 for 41 to 45 years, and M-13 for 46 to 50 years, then reduced by two units for every five years, that is, M-11 for 51 to 55 years, M-9 for 56 to 60 years, M-7 for 61 to 65 years and M-5 for 66 to 70 years.*

7. Hon'ble Supreme Court in the case of ***National Insurance Company Ltd. Vs. Pranay Sethi & Ors.*** **[(2017) 16 SCC 680]** has clarified the law under Sections 166, 163-A and 168 of the Motor Vehicles Act, 1988, on the following aspects:-

(A) Deduction of personal and living expenses to determine multiplicand;

(B) Selection of multiplier depending on age of deceased;

(C) Age of deceased on basis for applying multiplier;

(D) Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses, with escalation;

(E) Future prospects for all categories of persons and for different ages: with permanent job; self-employed or fixed salary.

The relevant portion of the judgment is reproduced as under:-

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"***52.*** *As far as the* ***conventional heads*** *are concerned, we find it difficult to agree with the view expressed in Rajesh². It has granted Rs.25,000 towards funeral expenses, Rs 1,00,000 towards loss of consortium and Rs 1,00,000 towards loss of care and guidance for minor children. The head relating to loss of care and minor children does not exist. Though Rajesh refers to Santosh Devi, it does not seem to follow the same. The conventional and traditional heads, needless to say, cannot be determined on percentage basis because that would not be an acceptable criterion. Unlike determination of income, the said heads have to be quantified. Any quantification must have a reasonable foundation. There can be no dispute over the fact that price index, fall in bank interest, escalation of rates in many a field have to be noticed. The court cannot remain oblivious to the same. There has been a thumb rule in this aspect. Otherwise, there will be extreme difficulty in determination of the same and unless the thumb rule is applied, there will be immense variation lacking any kind of consistency as a consequence of which, the orders passed by the tribunals and courts are likely to be unguided. Therefore, we think it seemly to fix reasonable sums. It seems to us that reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs.15,000, Rs.40,000 and Rs.15,000 respectively. The principle of revisiting the said heads is an acceptable principle. But the revisit should not be fact-centric or quantum-centric. We think*

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that it would be condign that the amount that we have quantified should be enhanced on percentage basis in every three years and the enhancement should be at the rate of 10% in a span of three years. We are disposed to hold so because that will bring in consistency in respect of those heads.

* * * * *

***59.3**. While determining the income, an addition of 50% of actual salary to the income of the deceased towards future prospects, where the deceased had a permanent job and was below the age of 40 years, should be made. The addition should be 30%, if the age of the deceased was between 40 to 50 years. In case the deceased was between the age of 50 to 60 years, the addition should be 15%. Actual salary should be read as actual salary less tax.*

***59.4**. In case the deceased was self-employed (or) on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years. An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component.*

***59.5**. For determination of the multiplicand, the deduction for personal and living expenses, the tribunals and the courts shall*

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be guided by paras 30 to 32 of Sarla Verma[4] which we have reproduced hereinbefore.

59.6. *The selection of multiplier shall be as indicated in the Table in Sarla Verma[1] read with para 42 of that judgment.*

59.7*. The age of the deceased should be the basis for applying the multiplier.*

59.8*. Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs 15,000, Rs 40,000 and Rs 15,000 respectively. The aforesaid amounts should be enhanced at the rate of 10% in every three years."*

8. Hon'ble Supreme Court in the case of **Magma General Insurance Company Limited Vs. Nanu Ram alias Chuhru Ram & Others [2018(18) SCC 130]** after considering **Sarla Verma (supra)** and **Pranay Sethi (Supra)** has settled the law regarding consortium. Relevant paras of the same are reproduced as under:-

*"**21**. A Constitution Bench of this Court in Pranay Sethi[2] dealt with the various heads under which compensation is to be awarded in a death case. One of these heads is loss of consortium. In legal parlance, "consortium" is a compendious term which encompasses "spousal consortium", "parental consortium", and "filial consortium". The right to consortium would include the company, care, help, comfort, guidance, solace and affection of the deceased, which is a loss to his family. With respect to a spouse, it would include sexual relations with the deceased spouse.*

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21.1. ***Spousal consortium*** *is generally defined as rights pertaining to the relationship of a husband-wife which allows compensation to the surviving spouse for loss of "company, society, cooperation, affection, and aid of the other in every conjugal relation".*

21.2. ***Parental consortium*** *is granted to the child upon the premature death of a parent, for loss of "parental aid, protection, affection, society, discipline, guidance and training".*

21.3. ***Filial consortium*** *is the right of the parents to compensation in the case of an accidental death of a child. An accident leading to the death of a child causes great shock and agony to the parents and family of the deceased. The greatest agony for a parent is to lose their child during their lifetime. Children are valued for their love, affection, companionship and their role in the family unit.*

22*. Consortium is a special prism reflecting changing norms about the status and worth of actual relationships. Modern jurisdictions world-over have recognised that the value of a child's consortium far exceeds the economic value of the compensation awarded in the case of the death of a child. Most jurisdictions therefore permit parents to be awarded compensation under loss of consortium on the death of a child. The amount awarded to the parents is a compensation for loss of the love, affection, care and companionship of the deceased child.*

23*. The Motor Vehicles Act is a beneficial legislation aimed at providing relief to the victims or their families, in cases of genuine claims. In case where a parent has lost their minor child, or unmarried son or daughter, the parents are entitled to be awarded*

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loss of consortium under the head of filial consortium. Parental consortium is awarded to children who lose their parents in motor vehicle accidents under the Act. A few High Courts have awarded compensation on this count. However, there was no clarity with respect to the principles on which compensation could be awarded on loss of filial consortium.

***24**. The amount of compensation to be awarded as consortium will be governed by the principles of awarding compensation under "loss of consortium" as laid down in Pranay Sethi[2]. In the present case, we deem it appropriate to award the father and the sister of the deceased, an amount of Rs 40,000 each for loss of filial consortium.*

9. A perusal of the impugned award reveals that the deceased was aged 39 years at the time of the accident. Since the factum of age is not in dispute, the learned Tribunal rightly considered the age of the deceased as 39 years and applied the multiplier of 15.

10. A perusal of the impugned award reveals that the deceased was employed as a Confirmed Territory Manager (CMT) and was earning ₹30,000 per month. In order to substantiate the said income, the claimants placed on record the Salary Certificate (Ex. C3), Star Performer Certificate (Ex. C4), and Average Income Certificate (Ex. C5). Upon consideration of the entire documentary evidence including Form No.16, Ex.R-4, the learned Tribunal assessed the monthly income of the deceased at ₹30,000.

11. Adverting to the contention raised by respondent No.3 - Insurance Company that the salary reflected in the certificate (Ex.C-3) includes incentives,

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and that such incentives are variable and therefore ought not to be considered, this Court finds the said argument to be untenable.

12. In this regard, reliance can be placed on the judgment of a Division Bench of this Court in ***Sarita v. General Manager, Haryana Roadways (Law Finder Doc ID #2121)***, wherein it has been categorically held that incentives form a permanent feature of the earnings of an employee, therefore, to be treated as part of salary for the purpose of computation of loss of dependency in MACT cases.

13. The relevant portion of the same is reproduced as under:-

> *"4. We have heard the counsel for both the parties. Shri Sanjay Vashisth, Deputy Advocate General submitted that the proposed order passed by the Lok Adalat proposing enhancement of compensation to Rs. 7,24,560/- is excessive. He contended that the monthly receipt on account of Production Incentive by the deceased cannot be taken into consideration because this is not a permanent feature of the salary. It may decrease in future. If that amount is not taken into consideration, then the claimants are not entitled to compensation as proposed by the Lok Adalat. We are unable to accept the contention raised by counsel for the State. The monthly receipt on account of Production Incentive at the time of death of the deceased has to be taken into consideration because that incentive was certainly the income of the deceased. It may be true that Production Incentive may decrease in future, but it may also increase. At the same time, this incentive is a permanent feature of the salary, though it may decrease or increase in a particular month.*
>
> *5. It has been held by this Court in* ***Employees State Insurance Corporation, Faridabad v. M/s. Kelvinator of India Ltd., 1997(2) PLR 495*** *that Production Incentive is a part of wages. Thus, in our opinion, the Lok Adalat has rightly calculated the monthly dependency of the claimants, after*

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taking into consideration the Production Incentive, Children Education Allowance and C.C.A."

14. Consequently, the learned Tribunal has not committed any error in assessing the income of the deceased at ₹30,000 per month. Accordingly, no interference is warranted on this aspect.

15. A further perusal of the award reveals that the learned Tribunal has erred in deducting 1/3rd as personal expenses. Considering the settled law on compensation and the fact that the deceased had four dependents, **1/4th** is to be deducted. Furthermore, learned Tribunal has also erred in not adding any amount for future prospects. Therefore, considering the age of the deceased (39 years), **40%** is to be added.

16. A further perusal of the award shows that no amount is granted under the heads of loss of estate, loss of consortium and funeral expenses. Therefore, award requires indulgence of this court.

CONCLUSION

17. In view of the law laid down by the Hon'ble Supreme Court in the above referred to judgments, the present appeal is allowed. The award dated 05.01.2013 is modified accordingly. The appellants-claimants are entitled to enhanced compensation as per the calculations made here-under:-

Sr. No.	***Heads***	***Compensation Awarded***
1	Monthly Income	Rs.30,000/-
2	Future prospects (40%)	Rs.12,000/- (Rs.30,000X 40%)
3	Deduction towards personal expenditure 1/4	Rs.10,500/- (42,000 X 1/4)
4	Total Income	Rs.31,500/- (42,000-10,500)
5	Multiplier	15
6	Annual Dependency	Rs.56,70,000/- (31,500 X 12 X 15)

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7	Loss of Estate	Rs.15,000/-
8	Funeral Expenses	Rs.15,000/-
9	General Damages	Rs.9,500/-
10	Loss of Consortium Parental : 40,000 x 2 Spousal : 40,000 x 1 Filial : 40,000 x 1	Rs.1,60,000/-
11	**Total Compensation**	**Rs.58,69,500/-**
12	**Deduction** Amount Awarded by the Tribunal	**Rs.36,09,500/-**
13	**Enhanced amount**	**Rs.22,60,000/- (58,69,500-36,09,500)**

18. So far as the interest part is concerned, as held by Hon'ble Supreme Court in ***Dara Singh @ Dhara Banjara Vs. Shyam Singh Varma*** **2019 ACJ 3176** and ***R.Valli and Others VS. Tamil Nadu State Transport Corporation*** **(2022) 5 Supreme Court Cases 107,** the appellants-claimants are granted the interest @ 9% per annum on the enhanced amount from the date of filing of claim petition till the date of its realization.

19. In view of the above, the Insurance Company-respondent No.3 is directed to deposit the enhanced amount of compensation along with interest with the Tribunal within a period of two months from the receipt of copy of this judgment. The Tribunal is directed to disburse the enhanced amount of compensation along with interest in the accounts of the claimant/appellant as per ratio settled by the learned Tribunal, vide its award dated 05.01.2013. The claimants/appellants are directed to furnish their bank account details to the Tribunal.

20. However, needless to say that respondent No.3-Insurance Company is granted liberty to recover the said amount of compensation from the insured i.e. owner of the offending vehicle as per the award dated 05.01.2013.

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21. Pending application(s), if any, also stand disposed of.

23.03.2026 **(SUDEEPTI SHARMA)**
Lalita-II **JUDGE**

Whether speaking/non-speaking : Speaking
Whether reportable : Yes/No

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